

EXHIBIT A

From: Ken Klippen [kklippen@mwmlaw.com]
Sent: Thursday, July 24, 2003 6:14 PM
To: alpope@unitedegg.com
Subject: FW: Animal Welfare Clarifications
Attachments: Guideline Status Chart Updated June 03.doc

Al,
Sparboe is looking for the weaknesses in our relationship with FMI/NCCR, but Karen set him straight.
Ken

-----Original Message-----

From: Karen Brown [mailto:KBROWN@fmi.org]
Sent: Thursday, July 24, 2003 1:57 PM
To: brian@sparboe.com
Cc: Tim Hammonds; Dortt@nrf.com; Ken Klippen
Subject: RE: Animal Welfare Clarifications

Dear Mr. Joyner:

Regarding the questions you raise about the FMI-NCCR June 2003 report on our animal welfare program:

1) FMI and NCCR developed a third-party, independent audit program at the request of our members to assure that the audit conforms to the guidelines our advisors endorsed. In some cases there are a few points of difference between the producer guidelines and the FMI-NCCR endorsed guidelines (see attached chart for examples). Also, there are various organizations purporting to be able to audit against our guidelines and to avoid confusion among our members we are recognizing only our own audit.

We are working with UEP and USDA-ARPAS to reconcile the two audit programs so that they are interchangeable. We have not achieved 100% parity as yet, but that is the goal. At that point we hope to endorse the UEP audit. We are involved in a cooperative auditor training program with UEP.

2) Our goal is enhanced animal welfare for all animals in food production -- not animals used only for certain products or product categories. This is our position for all producer groups.

3) The FMI-NCCR program does not require a seal on products. Our only role has been to work with the producer groups on guidelines and to develop a third-party, independent audit program. These resources have been put together at the request of and for the use of our members. We do recognize that some of the producer animal welfare programs include seals -- such as UEP and the Dairy Quality Assurance 5 star program. We do not anticipate developing a seal for the FMI-NCCR program.

Hope this is helpful.

Karen Brown
Senior Vice President
Food Marketing Institute
202-220-0650

-----Original Message-----

From: Tim Hammonds
Sent: Monday, July 21, 2003 8:25 PM

4/21/2009

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UE0879102

DEFENDANTS'
EXHIBIT
Case No. 1:11-cv-08808
D-0453

D-0453-0001 of 0003

To: brian@sparboe.com
Cc: Karen Brown; FMI FEEDBACK
Subject: RE: Animal Welfare Clarifications

Sorry it has taken some time. Karen has been on vacation and is due back this week.

Tim

-----Original Message-----

From: Brian Joyer [mailto:brian@sparboe.com]
Sent: Mon 7/21/2003 3:30 PM
To: Tim Hammonds
Cc: Karen Brown; FMI FEEDBACK
Subject: Animal Welfare Clarifications

The message below was sent on July 9th in regards to the Animal Welfare Program. I am still waiting for a response; please let me know if I should be sending this message to any one else. I would appreciate a timely response.

Thank you,
Brian Joyer
Director of Quality Assurance
Sparboe Farms
952-475-0100

-----Original Message-----

From: Brian Joyer [mailto:brian@sparboe.com]
Sent: Wednesday, July 09, 2003 3:00 PM
To: Tim Hammonds (E-mail)
Cc: Karen Brown (E-mail)
Subject: Animal Welfare Clarifications

Recently, I read the FMI-NCCR Animal Welfare Program, June 2003 Report. There are three points I wanted to clarify.

* The June 2003 Report states "To avoid confusion, FMI and NCCR want to clarify that the only audit program they recognize is the third-party Animal Welfare Audit Program (AWAP), developed and managed by SES on NCCR's and FMI's behalf." How does this relate to the United Egg Producers (UEP) Audit Program? Does this statement mean an egg producer must be audited by the AWAP and that audits performed by USDA and ARPAS for the UEP are not recognized by FMI/NCCR? Does this indicate that FMI/NCCR endorsed UEP's guidelines but not their audit program?

* What is FMI/NCCR's position on implementing the guidelines? Should a company allow the marketplace to influence the amount of product produced under the guidelines or should the company commit 100% of their products to the guidelines regardless of the interest from customers and consumers? Is your position the same across all producer organizations?

* Does FMI/NCCR require a seal on products that are produced under animal welfare guidelines? Why has FMI/NCCR decided to require or not require a seal?

Your insight in answering these questions will help provide us with information needed to make decisions as we move forward. A timely response would be greatly appreciated. Thank you for your attention to this matter.

Sincerely,

Brian Joyer

4/21/2009

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D-0453-0002 of 0003

Brian Joyer
Director of Quality Assurance
Sparboe Farms
952-475-0100

Outgoing mail is certified Virus Free.
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Version: 6.0.501 / Virus Database: 299 - Release Date: 7/14/2003

4/21/2009

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D-0453-0003 of 0003

EXHIBIT B

**MICHIGAN STATE
UNIVERSITY**

October 4, 2004

Chairman Paul Bahan
Producer's Committee for Animal Welfare
United Egg Producer (UEP) Headquarters
1720 Windward Concourse, Suite 230
Alpharetta, GA 30005

Dear Chairman Bahan:

The UEP Scientific Advisory Committee for Animal Welfare is extremely concerned about the egg industry's current practices of backfilling. When the scientific committee established the welfare guidelines for cage space allocation, it was not our original intention to allow for the backfilling of cages by spare birds.

S

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Bird welfare is compromised when backfilling is done every month to replace mortality for the purpose of keeping houses full. Science has shown that mixing birds from other flocks and with different ages increases susceptibility to disease. Older hens may harbor disease-causing pathogens that are easily transmitted to younger pullets that may have not been fully vaccinated or have had the opportunity to develop full immunocompetency. In addition, the introduction of unfamiliar birds to resident birds increases social competition and stress, which can increase mortality and decrease production.

It is with utmost urgency that the Producer's Committee for Animal Welfare advises egg producers who participate in UEP's Animal Care Certified Program to eliminate the practice of backfilling. Your customers as well as FMI and NCCR will not approve of the practice of backfilling. It is essential that you maintain science-based guidelines. We urge you to make this correction. It is imperative that the egg industry responds quickly to this issue so that they can continue to be the leaders in animal agriculture relative to self-regulation of welfare guidelines.

Sincerely,

Jeff Armstrong, Chair
Scientific Advisory
Committee for UEP

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**DEFENDANTS'
EXHIBIT**

Case No. 1:11-cv-08808

D-0466

D-0466-0001 of 0001

EXHIBIT C

**MICHIGAN STATE
UNIVERSITY**

November 29, 2006

Gene Gregory
1720 Windward Concourse
Suite 230
Alpharetta, GA 30005

Dear Gene:

The egg industry was one of the first industry groups to establish animal welfare guidelines for an animal agricultural enterprise. In 1999, the United Egg Producers (UEP) commissioned an independent committee of scientists charged with providing science-based recommendations for the development of welfare guidelines for layer hens. I was asked to constitute and chair this committee. We were able to attract nationally respected participants because it was clear that UEP was genuinely interested in developing and adopting science-based guidelines.



United Egg Producers Scientific Advisory Committee Membership

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- Jeff Armstrong, Michigan State University, Chair
- Don Bell, University of California - Riverside
- Bill Chase, DVM, Kestrel, Inc.
- Adele Douglass, American Humane Association (no longer a member)
- Patricia Hester, Purdue University
- Joy Mench, University of California - Davis
- Ruth Newberry, Washington State University
- Margaret Shea-Moore, formerly USDA-Agricultural Research Service, Livestock Behavior Unit (no longer a member)
- Larry Stanker, USDA-ARS (no longer a member)
- Janice Swanson, Kansas State University
- Paul Thompson, Michigan State University (member added in 2005)
- Gail Golab, DVM, American Veterinary Medical Association (member added in 2005)

The attached document includes the welfare guidelines we developed for laying hens housed in cages, and we have strongly supported their adoption by producers raising hens in cage systems. We believe these guidelines set the baseline for humane care.

*MSU is an affirmative-action
Equal-opportunity institution.*

With consummate professionalism and a commitment to science-based research findings, the United Egg Producers have worked diligently to move their members to full adoption of the guidelines. Through your leadership, they have also understood from the beginning that the guidelines are dynamic. For example, the UEP dropped feed withdrawal as an acceptable means to induce a molt and aligned the program

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**DEFENDANTS'
EXHIBIT**

Case No. 1:11-cv-08808

D-0489

D-0489-0001 of 0002

● Page 2

guidelines for ammonia with current scientific recommendations. We also worked with the UEP producer committee to clarify that the practice of replacing mortalities after initial housing populations are established is not an appropriate welfare practice.

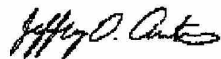
With that background in mind, the purpose of this letter is to clarify our view of the relationship between the guidelines we developed and the UEP program that bears the UEP certified seal. Our group of scientists is first and foremost concerned with the welfare of laying hens. We have consistently maintained that our role is to recommend science-based animal care practices to the UEP and not attempt to dictate timelines of adoption by the industry.

It has come to our attention that individuals within the industry are attempting to develop a program that would use the USDA Process Verified seal but result in less than 100% of the hens subject to science-based guidelines. In other words, a given producer or company would not be required to maintain all hens under science-based guidelines. We are adamantly opposed to this approach. We view the UEP guidelines as grounded in sound science that represents the threshold for maintaining caged layers humanely. Housing hens at less than UEP minimum standards is neither scientifically justified nor humane. Consequently, we believe any producer or company marketing eggs bearing either the UEP Certified or USDA Process Verified seal is making a statement about the company and the care provided to 100% of the hens, not just a few.

It is our collective and firm belief that any program approved by UEP or USDA should require 100% implementation. While both seals represent marketing programs, we believe failure to ensure 100% implementation threatens the welfare of laying hens and the overall credibility of our science-based guidelines.

Thank you for your attention to this matter. Please do not hesitate to contact me should additional information be needed.

Sincerely,



Jeffrey D. Armstrong
Dean

P.S. Please note that the views and opinions expressed in this letter are those of the members of the UEP Scientific Animal Welfare Committee and do not represent the views or opinions of their respective organizational affiliations.

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D-0489-0002 of 0002

EXHIBIT D

Scientific Advisory Committee For Animal Welfare United Egg Producers

Committee Members

Jeffrey Armstrong, PhD, Chair
jdarmstrong@hotmail.com
Michigan State University

Donald Bell, MS
University of California, Riverside

Bill Chase, DVM
Kestrel, Inc.

Gail Golab, PhD, DVM, MACVSc
American Veterinary
Medical Association

Patricia Hester, PhD
Purdue University

Joy Mench, PhD
University of California, Davis

Ruth Newberry, PhD
Washington State University

Janice Swanson, PhD
Michigan State University

Paul Thompson, PhD
Michigan State University

We write to share important information regarding the mutually responsible roles of government, academic research and the animal agriculture industry in providing a secure food system that ensures the welfare of animals through application of science-based guidelines. It is our hope that the research-based findings of independent committees of scientists will guide the establishment of animal welfare guidelines across the nation.

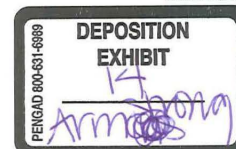
The egg industry was one of the first groups to establish animal welfare guidelines for commercial enterprises. In 1999, an independent committee of scientists charged by United Egg Producers (UEP) with providing science-based recommendations for the development of animal care guidelines to protect the welfare of layer hens was formed. Jeff Armstrong, then Head of the Department of Animal Sciences at Purdue University, was asked to chair and constitute the committee. Members were selected by the chair independently from UEP. The committee was able to attract nationally respected participants because it was clear that UEP was genuinely interested in developing and adopting science-based guidelines and would have no veto authority on the results.

The charge to our committee was to evaluate current understanding of contributors to laying hen welfare; this included a comprehensive review of all literature related to the welfare of laying hens. This comprehensive review was then used to create a set of science-based guidelines. In developing our recommendations, we addressed housing and space, provision of food and water, molting, air quality, beak trimming, handling and transportation, euthanasia, biosecurity and animal health. While the main focus of the committee was hen welfare, the committee recognized that consideration of ethical, environmental and economic concerns is also necessary in the development and implementation of responsible production practices.

With consummate professionalism and a commitment to science-based findings, the UEP have worked diligently to move their members to full adoption of the guidelines and make the guidelines transparent to the public by publishing them on the internet. They have also understood from the beginning that the guidelines are dynamic and are appropriately adjusted based on new research findings. For example, the UEP dropped feed withdrawal as an acceptable means to induce a molt and aligned criteria for ammonia concentrations with scientific recommendations.

The attached document includes the animal care guidelines that we developed for laying hens housed in cages, and we have strongly supported their adoption by producers. We strongly believe that these guidelines set the baseline for humane care of caged laying hens. Our committee similarly developed welfare guidelines for non-cage systems. These guidelines are also attached. We believe it is imperative that ALL HENS in non-cage or cage systems should receive housing and care that meets or exceeds the minimum science-based guidelines provided by our committee. Certainly, transparent, science-based guidelines from other reputable and independent groups are also acceptable if they meet or exceed the minimum standards identified in the UEP Guidelines.

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**DEFENDANTS'
EXHIBIT**

Case No. 1:11-cv-08808

D-0509

D-0509-0001 of 0003

Page Two

August 2, 2008

During our earliest meeting, we spent many hours discussing the advantages and disadvantages of cage and non-cage systems. Our committee was not formed with the notion that any one system must be maintained. Our goal was to determine what was best for the well-being of hens. Our committee summarized the following as advantages and disadvantages of cage and non-cage systems:

- Advantages of cage systems
 - ☐ bird health improved – hens are separated from their feces
 - ☐ small group size – reduced incidence of pecking and cannibalism; thereby reduced requirement for beak trimming
 - ☐ good environmental control
 - ☐ no risk of predation
 - ☐ reduced risk of hen hysteria and smothering
 - ☐ improved foot health
 - ☐ increased egg production
 - ☐ improved egg cleanliness
 - ☐ easier management by personnel
- Disadvantages of cage systems
 - ☐ limit range of behaviors performed (increasing the space per hen to 67 square inches alleviated some concerns about crowding)
 - ☐ reduced bone strength
- Advantages of non-cage systems
 - ☐ more freedom of movement
 - ☐ exercise promotes better bone strength
 - ☐ enriched environment accommodates greater behavioral diversity
- Disadvantages of non-cage systems
 - ☐ higher mortality
 - ☐ increased risk of feather pecking and cannibalism
 - ☐ increased incidence of foot problems
 - ☐ increased incidence of hen hysteria and smothering
 - ☐ increased exposure to wild birds and other disease vectors in free-range systems
 - ☐ increased incidence of external and internal (e.g., roundworms, coccidia) parasites, which requires feeding of coccidiostats and/or implementation of other control methods
 - ☐ more bone breakage during lay despite stronger bones
 - ☐ higher concentrations of dust and ammonia in litter systems
 - ☐ less environmental control under free-range conditions
 - ☐ exposure to predators under free-range conditions
 - ☐ more difficult to manage
 - ☐ increased difficulty in inspecting and catching hens

Because most hens in the United States are housed in conventional cages, the committee considered space allowances in this system in great detail. There is overwhelming evidence that hen welfare in conventional cages is impaired when hens are given space allowances of less than 67 square inches/bird.

Consequently, we provided the following recommendations regarding space allocation:

- Hens should be able to stand comfortably upright in their cage.
- Space allowances should provide a minimum of 67 square inches of usable space per bird.

Based on our scientific review, we predicted that increasing the space per hen to 67 square inches would result in a drop in mortality and an increase in per-hen egg production. Information collected from egg producers has confirmed the validity of these predictions.

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UE0557577

D-0509-0002 of 0003

Page Three

August 2, 2008

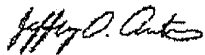
Enriched cages (that is, cages that include perches, nestboxes, and/or dustbaths to provide opportunities for the birds to perform a greater variety of behaviors) are a promising development. Research results and experiences with production systems in other countries indicate that such cages will likely provide the hen with additional behavioral opportunities while retaining the hen health and mortality benefits associated with cages. Because of pressure from activists, however a solid science-based assessment may be required before retailers and consumers will accept this approach.

Above all, we stress the importance of using science as the basis for the development of animal care guidelines. Research evaluating a variety of systems for housing and managing laying hens shows that each housing system has welfare advantages and disadvantages, but with proper husbandry and selection of equipment, many of these systems can ensure that hens enjoy an acceptable state of welfare. It is imperative that systems be considered from a holistic perspective, and groups or individuals should avoid taking single welfare advantages / disadvantages out of context in an effort to promote a particular system.

Furthermore, it is clear that additional research is necessary to evaluate the potential short- and long-term effects of different housing systems not only on hen health and welfare, but on overall sustainability: food safety, security and quality; vulnerability to food bioterrorism, impact on human health; sustainable environmental practices; supply chain dynamics; and economic impact for consumers must all be considered.

In conclusion, our committee is unanimous in support of the implementation of science-based animal care guidelines by the industry. As stated earlier, these guidelines must be dynamic and able to be changed as we learn more about complex animal care systems. Guidelines or regulations should be structured in a way that permits innovative approaches, sets clear performance standards, and avoids setting arbitrary standards.

Sincerely,

United Egg Producers Scientific Advisory Committee Membership


Jeff Armstrong, PhD, Michigan State University, Chair

Don Bell, M.S., University of California - Riverside

Bill Chase, DVM, Kestrel, Inc.

Patricia Hester, PhD, Purdue University

Joy Mench, PhD, University of California – Davis

Ruth Newberry, PhD, Washington State University

Janice Swanson, PhD, Michigan State University

Paul Thompson, PhD, Michigan State University

Gail Golab, PhD, DVM, MACVSc, American Veterinary Medical Association

Please note that titles and affiliations of individuals were added for identification purposes. The views and opinions expressed in this letter are those of the members of the UEP Scientific Advisory Committee for Animal Welfare and do not represent the views or opinions of their respective organizational affiliations.

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UE0557578

D-0509-0003 of 0003

EXHIBIT E



655 15TH STREET, N.W., SEVENTH FLOOR
WASHINGTON, D.C. 20005-5701
TELEPHONE: 202/452-8444
FAX: 202/429-4519
E-MAIL: FMI@FMI.ORG
WEBSITE: WWW.FMI.ORG

August 2, 2002

Mr. Albert E. Pope
President
United Egg Producers
1303 Hightower Travel, Suite 200
Atlanta, GA 30350

Dear Al:

On behalf of the FMI Board, I would like to commend your industry on the development of an effective and comprehensive animal welfare program. This program will go a long way to help all of us address an important and very public issue. We thank you personally and the UEP staff as well as your Board of Directors for such a strong demonstration of leadership.

We are writing you today for clarification regarding those eggs produced for use in processed products. Our FMI members have taken the position, as we state in our FMI/NCCR press release, that the animal welfare guidelines will apply both to shell eggs and those produced for use as ingredients in food products.

We would greatly appreciate a progress report on the success of your program with the egg products sector. Our members would welcome reassurance that all UEP egg producers are following your guidelines, even for eggs to be used as ingredients. A list of egg processors that have voluntarily agreed to meet UEP's industry guidelines would also be very helpful.

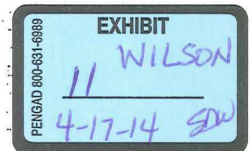
Please feel free to share this letter with your membership should you wish. We look forward to continuing to work with you.

Best regards,

A handwritten signature in black ink, appearing to read 'Tim', is written over a horizontal line.

Tim Hammonds
President and CEO

cc: Ms. Terrie Dort, President
National Council of Chain Restaurants



HIGHLY CONFIDENTIAL

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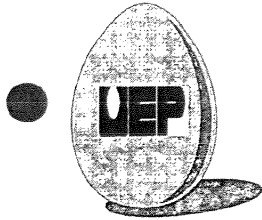
EXHIBIT

Case No. 1:11-cv-08808

D-0584

D-0584-0001 of 0001

EXHIBIT F



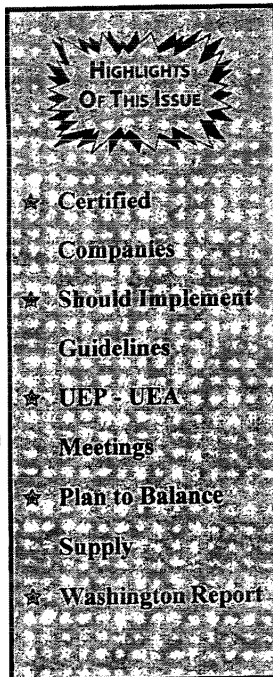
United Voices



United Egg Producers
Gene Gregory - Editor

March 25, 2002

CERTIFIED COMPANIES



The following egg production companies have filed an "Application For Certification" with UEP and have therefore committed to implementing Animal Husbandry Guidelines. By this commitment, these companies will begin to phase-in the cage space allowance with chicks hatched after April 1, 2002 and phase-in the guidelines for beak trimming, molting, handling & transportation starting on July 1, 2002.

Provisional certification numbers are now being assigned for each company in the order by which the applications were received. These companies will be authorized to trade eggs using the provisional certification number until an audit has been conducted at which time a fully certified status will be achieved. The list shown below is in the order by which applications were received by the UEP office.



- | | |
|-------------------------------|---------------------------------|
| 1. Wilcox Farms | 31. J.S. West Milling |
| 2. Midwest Poultry Service | 32. Maxim Production |
| 3. Cal-Maine Foods | 33. Norco Ranch |
| 4. Creighton Brothers | 34. McAnally Enterprises |
| 5. ISE Newberry | 35. Sunrise Farms of California |
| 6. Mahard Egg Farms | 36. Valley Fresh Foods |
| 7. Lumber City Egg Marketers | 37. North Alabama Egg Co. |
| 8. Glenwood Foods | 38. Red Bird Egg Farms |
| 9. Braswell Egg Co. | 39. Olson Farms |
| 10. Simpson's Eggs | 40. Herbruck's Poultry Ranch |
| 11. Daylay Egg Farm | 41. Schipper Poultry |
| 12. United Egg Marketers | 42. Oakdell Egg Farms |
| 13. Crystal Farms | 43. Active Feed Co. |
| 14. Kreher's Poultry Farm | 44. Delta Egg Farm |
| 15. Zephyr Egg Co. | 45. Sunbest Foods of Iowa |
| 16. Kofkoff Egg Farm | 46. Grand Mesa Eggs |
| 17. Southern New England Eggs | 47. Moark Productions |
| 18. The Egg & I Farm | 48. Gemperle Enterprises |
| 19. ISE America | 49. Freitas Fresh Egg |
| 20. Wegmans | 50. Karl Jensen & Sons |
| 21. R.W. Sauder | 51. Gervase Farms |
| 22. Radlo Bros. | 52. Wilfie Farms |
| 23. LaValle Egg Farms | 53. Yankee Farm |
| 24. Elmer King Farm | 54. Su's Chicken Farm |
| 25. Sperry Farms | 55. Garber Poultry Farm |
| 26. Creekwood Farms | 56. Baer Brothers |
| 27. Edelweiss Farms | |
| 28. Dynes Farms | |
| 29. Morning Fresh Farms | |
| 30. Sparboe Companies | |

March 25, 2002

Page 1

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DEFENDANTS' EXHIBIT

Case No. 1:11-cv-08808

D-0987

D-0987-0001 of 0004

AUDIT FORM & PROCEDURE BEING FINALIZED

UEP's Producer Committee for Animal Welfare is meeting in Chicago on March 26th to address comments and concerns that arose during the series of recently held area meetings. The agenda will include the following items, which will be communicated to the membership once decisions are made:

1. Finalize the Animal Husbandry Audit Form and audit procedures.
2. Begin the process of selecting firms, individuals or associations that will be authorized by UEP to conduct audits.
3. Clarify the status of a "Certified Company".
4. What must a company do to catch-up if they miss the April 1st starting date?
5. What will be used as grower house mortality for arriving at the number of hens to be housed?
6. Establishment of a method by which eggs from "certified companies" can be traded.

YOU SHOULD IMPLEMENT GUIDELINES

An Editorial by: Gene Gregory

While most producers were aware of UEP working with both a Scientific and Producer Committee to develop Animal Husbandry Guidelines, they couldn't anticipate when they would ever have to implement such guidelines. Many producers are still waiting to hear from their customers before they initiate any changes. This is a natural reaction because why incur additional costs if your customer doesn't demand changes. You must, however, ask yourself this question, "does my egg buyer make corporate decisions on such matters or is this decision being made at the highest company levels", we believe you know the answer.

Food Marketing Institute (FMI) and the National Council of Chain Restaurants (NCCR) are expected to make a public announcement including press coverage in June of this year. Soon thereafter they will encourage their members (which represents nearly all sizes of grocery stores and restaurants) to discuss with their suppliers the need to implement Animal Husbandry Guidelines. They are further expected to require that an annual audit be conducted to confirm that the supplier is meeting the guidelines.

So if FMI and NCCR do make the June announcement, it could be anticipated that the trickle down effect will begin and your egg buyer will be far more interested in eggs produced from farms meeting Animal Husbandry Guidelines.

UEP has been trying to develop a set of guidelines based upon science that can be acceptable to both the Marketplace and Government. We believe we have done just that and that FMI and NCCR will endorse the UEP Guidelines. Remember that UEP's Guidelines were written for all egg production facilities, not just those dedicated to the shell egg market. While the major grocery retailers and major restaurant chains are the focus of the animal rights groups at this time, we believe this issue will spread very rapidly to all markets once FMI and NCCR have made an announcement.

We have demonstrated to FMI and NCCR that it is imperative that we create a level playing field for both UEP members and the members of FMI and NCCR. To do otherwise would create severe market disruption and much higher costs. This leads us to the concept of using existing cage equipment and basing our phase-in of the cage space allowance on a "house average" concept. The phase-in period also allows for time to construct new facilities that will be needed to replace the demand in the marketplace. As we reduce the flock size, hopefully profits will be realized, which can be reinvested in this new construction.

UEP's Board gave the Industry an opportunity to access how committed FMI - NCCR or the Grocery Manufacturers of America or the National Restaurant Association may be. In doing so they have asked the industry to commit to implementing the guidelines on 100% of their production until October of this year. At that time the Board will review this commitment and determine if the marketplace is committed.

continued on page 3

continued from page 2

So you ask how will I recover my cost? A special committee has been established for the purpose of developing a price discovery system that will allow eggs from certified companies to be traded and for the market reporter to publish a separate quote for certified eggs.

There, however, is another way to recover the cost. Some may think of this as only a supply adjustment program and those that implement the guidelines will realize an increased cost while those that stand on the sideline will benefit equally. So let's just review the costs of the first step of the phase-in plan. Remember that this step calls for chicks hatched after April 1st, 2002 and before October 1, 2003 to place those pullets in the layer house at a "house average" of 56 inches per hen.

While I'm no economist and therefore look at things in a simple manner, here is an example to consider. A producer with 100,000 layers housed at 53.3 square inches per hen would reduce their flock by 4,800 hens. If this producer currently had a 40-cent cost of production, the cost would increase to 42-cents per dozen. What about a complex of multiple houses? An example could be for a complex of 10 – 100,000 size houses that might only have three (3) houses come due on the schedule for reduction between now and October of this year. If this was true, their costs would only increase to 40.57 cents per dozen.

If all the Industry were to follow the guidelines through the first step this would result in a flock size reduction of 13 million hens. Place your own estimate on how much the egg market will rise if even half this reduction were to occur. So the payback for making this first step to a "house average" of 56 square inches is tremendous.

Sure the phase-in will eventually reach a space allowance for existing houses at a "house average" of 67 inches. When this finally occurs in the fall of 2008, and using the same theory as above, the cost of production will have risen by 10 cents per dozen. This of course doesn't take into consideration the increased costs of administration and processing costs.

So you are producing eggs for egg breaking and the products market. If your yield is 38 pounds per case and the cost of producing shell eggs is 40 cents per dozen then the cost of unpasteurized liquid product is 31.5 cents per pound. Using the example of a complex of 1 million birds that implements the first step over the period of April through October 2002 and your shell egg production costs increases to 40.5 cents per dozen would result in a 4/10 cent per pound increased product cost. Again, using the 10-cent increased costs once all phases of the plan have been implemented would add a cost of 7.9 cents per pound of product.

So in conclusion, it is my recommendation that the industry implement this first phase-in step and once we know the commitment of the marketplace we will make more long term plans. So if you are still waiting to sign and return the Application for Certification to UEP, do so now. It is in your best interest.

UEP LEGISLATIVE MEETING

There is no better way to communicate your personal or business positions on legislative or regulatory issues than a visit to your Congressional office in Washington, D.C. UEP's Spring Legislative Meeting provides you with the opportunity to delivery position papers on key issues along with two-dozen eggs to your Congressman's office. **Believe it or not – this makes a major impression and is extremely helpful to your UEP Washington Staff.**

Mark your calendar for May 13-16 and plan to be a part of the large attendance of egg producers making this once again a major event for the Egg Industry. If you have not already made reservations please do so as soon as possible. A registration form, agenda, and list of invited speakers are enclosed.

UEA ALLIED TO HOLD ANNUAL MEETING

UEA Allied Chairman, Terry Pollard is inviting all UEA Allied members to participate in UEP's Spring Legislative Meeting. Additionally, Pollard has scheduled the UEA Allied annual meeting for 1:00 – 3:00 PM on Wednesday May 15th at the Washington Court Hotel in Washington, D.C. Please return the enclosed registration form as quickly as possible.

March 25, 2002

Page 3

UE0135818

D-0987-0003 of 0004

PLAN TO BALANCE SUPPLY WITH DEMAND

There has been a nice upward movement in market prices and the Easter market period will be profitable. Most regions have seen large prices improve 25 cents or more over the past few weeks. Can this be sustained? Historically, summer months have been the low egg market period of the year and this year will very likely be no different unless changes begin to take place.

UEP's Production Planning Calendar places the 10-year average supply demand index at 84% during the weeks of April – July, so this is a good time to reduce supply because the demand will be less than other periods of the year.

UEP's Marketing Committee has recommended a voluntary plan that will help improve the balance of supply demand during the April – July period. The plan calls for:

1. All flocks 62 weeks or older be placed into a molt starting April 1st and continuing through July 1st.
2. Dispose of spent hens 4 weeks earlier than the normal schedule starting April 1st and continuing through July 1st.

NEWS FROM USDA-AMS

California Eggs: Effective March 18, a price recommended by the California Egg Marketing Association (CEMA) and other marketers in the State will replace the California Invoice prices. These new prices will reflect the recommended price for negotiated sales of USDA Grade AA and Grade AA in cartons, cents per dozen. The price will not reflect any discounts or other contract terms. The change is being made to more fully involve CEMA and the other marketers in California in setting a benchmark price for eggs in the state.

EGGS PROCESSED UNDER FEDERAL INSPECTION

USDA reports the number of eggs broken through week ending March 9th to be 11.2 million cases as compared to 10.9 million at the same date a year earlier.

ANIMAL WELFARE RALLY

New Jersey will be the venue for a rally among people opposed to “factory farming” by national animal rights groups on April 7 and 8. Led by Farm Sanctuary, the rally in Trenton is an outgrowth of a pressure campaign to force the New Jersey Department of Agriculture to produce meaningful humane standards for farm animals.

FOR SALE

Approximately 100,000 used Phillips plastic flats. Mostly, natural color, a few orange. All in moderate shape. If interested, call Linda at the UEP-Iowa office (563) 285-9100.

EXHIBIT G



United Voices

Gene Gregory - Editor



Egg Industry "Economic Summit"

In the past, UEP's Marketing Committee has reviewed industry statistics and advised all UEP members when it appeared that supply was exceeding demand. With forecast of an increasing flock size at a time when many believe demand has declined prompted UEP to call for an "economic summit" on November 16th in Atlanta.

Producers with approximately 200 million hens were in attendance and heard probably the most honest and candid reports of current conditions and trends that have ever been presented in any format. Many attendees have since expressed the opinion that this was UEP's best meeting of industry economics, ever!

Shell egg producers have in the past, considered demand from only the perspective of consumer demand and looked upon the egg-breaking sector as a market for surplus eggs. With egg breakers having, over the past eight years, processed approximately 30% of all eggs produced, it was time to look upon this sector of the industry as an important customer of shell eggs. Is the egg breaking demand for eggs produced primarily by shell egg producers declining? The "economic summit" took a look at current conditions and trends of this sector of our business.

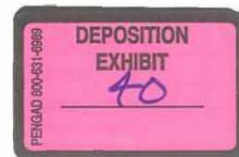
Low-carb diets and the good news about eggs contributed to an increasing demand for shell eggs. With high prices of the fall of 2003 and spring of 2004, did consumers turn away from eggs or did retailers simply stop featuring eggs? Many producer/marketers believe that a comparison of same store sales currently versus a year ago will point to declining retail sales. The "economic summit" took a look at current conditions and trends in this sector of our business.

Producer prices of 2003 and early 2004 gave the industry confidence in a long lasting economic boom. Producers held hens to older ages and changed other production practices to take advantage of the good times without paying sufficient attention to future trends. Producers began to maintain and build a flock size beyond what demand justified. The "economic summit" took a look at the forecast of the future flock size and egg prices for the coming year.

While it was acknowledged that retail demand might have declined, this is not necessarily good news for retailers, both in terms of volume as well as price. Low retail prices impact retailer's sales projections, management bonuses, and stock values. The speaker for the retail market said the egg industry needed to do a better job of selling the many benefits of eggs. To promote eggs as a safe food, high in protein, low in saturated fat, the benefit of choline, tasty, versatile, economical, produced by Animal Care Certified farms, etc.

November 23, 2004

1



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EXHIBIT

Case No. 1:11-cv-08808

D-1050

D-1050-0001 of 0006

Information shared by speakers for the egg-breaking sector providing some shocking news about the trends of this side of the business. Among their many observations were the following:

1. The trend in egg breaking/egg products is in-line production, growth in upper Midwest states, and dedicated supply.
2. Companies dedicated to egg breaking are becoming more self-sufficient. The trend is that breakers will not be a buyer of shell eggs but instead will likely be a surplus seller of eggs into the shell egg market. A drastic change from the days when shell egg producers could move their surplus into the breaker market.
3. It was estimated that 20 egg breaking companies now have in-line production/breaking and the trend is to follow the shell egg industry by building more in-line systems.
4. The number of layers needed for breaking has increased by 5 million since 2000 while the number of layers in Iowa, of which most are dedicated to breaking, has increased by 16 million and another 5 million will be added during 2005.
5. More than 50% of egg product sales are now negotiated on some basis other than using the Urner Barry quotes.

The "economic summit" exposed a bleak picture of the supply side of the business. With pullets currently in growing houses, we now can predict a layer flock of 13 million more hens in April 2005 than at the same month of 2004 if we do not find ways to dispose of older hens and increase the cull rate. If the hatch of 2005 is the same as in 2004 and we continue the hen disposal (cull) rate of 2004 then we will have a nation's flock size of more than 300 million hens by the end of 2005 or an increase of about 25 million more hens than during the period of the industry's highest egg returns of 2003 and 2004. Depending upon whether the industry reacts to the pending problems or not, egg prices were projected to be from 10 to 27 cents per dozen below the annual average of 2003.

Recognizing that it serves no purpose to place blame on someone, many attendees elected to be part of the solution. Of those attending, producers dedicated primarily to shell egg markets and with approximate 100 million hens made their intentions known by stating that they would implement one or both of the following recommendations:

Option # 1 To dispose of hens that are currently scheduled for disposal between January 1 and April 30, 2005 four (4) weeks earlier than previously scheduled.

Option # 2 To reduce their December 1, 2004 flock size by 5% between the dates of January 1 through April 30, 2005.

Companies making their intentions known during the meeting were:

*Creighton Bros.
Braswell Foods
Mahard Egg Farms
Tampa Farm Service
Green Forest Egg Co.
Feather Crest Farms
Wilcox Farms
Sunrise Farms of CA
IVA, Inc.
National Foods Corp.*

*Cal-Maine Foods
American Egg Products
Pearl Valley Eggs
ISE Newberry
Hillandale Farms of FL
Kreher's Poultry Farm
Moark LLC
Ohio Fresh Eggs
Pilgrim's Pride*

*Fort Recovery Equity
Crystal Farms
Merrill's Egg Farms
Randy Nelson Ventures
Hillandale Farms of PA
United Egg Marketing Corp.
Berne Hi-Way Hatchery
Hickman's Eggs
Midwest Poultry Services*

Letters have been sent to UEP members not in attendance advising them of the meeting highlights and asking if they want to make their intentions known that could be part of the solutions.

November 23, 2004

2

UE0368632

D-1050-0002 of 0006

Welcome New Members

We are pleased to welcome Robert and Judith Aro of Aro's Poultry Farm in Lunenburg, Massachusetts as new UEP members.

We are also pleased to welcome the following companies as new enrollees in the Animal Care Certified program:

Thomas Poultry Farm
General Farm Service
George Dept. of Corrections

John Ickes Farms
Mussman Back Acres
Aro's Poultry Farm

Some have yet to have completed the animal care certified audit but are expected to do so very soon.

USDA Chickens & Eggs Report

USDA's reported table-egg type laying hens on November 1st was 1.5 million less than UEP had been predicting but still 7.2 million larger than on the same date of 2003.

Pullets hatched during October were 3% greater than the same month a year ago and eggs in incubators on November 1st were 27% more than on the same date a year ago.

University of Iowa Laboratories Were Vandalized

An e-mailer claiming to be a member of the Animal Liberation Front (ALF) has claimed responsibility for extensive vandalism at the University of Iowa's Seashore Hall and Spence Laboratories. The email detailed the type and extent of the damage to the labs and listed names of the psychology researchers targeted. Home addresses and phone numbers were identified of all University of Iowa researchers that ALF believes are engaged in inhumane research of animals.

The vandalism focused on laboratories on a locked floor where animal research is conducted primarily by the behavioral and cognitive neuroscience division of the psychology department. The intruders took an unspecified number of mice, rats and other animals, damaged more than 30 computers, and dumped hazardous chemicals.

Activist May Be Source Of Damage To University of Minnesota Facility

More than \$1 million in damages to a much-heralded science building under construction on the campus of the University of Minnesota Duluth occurred the same weekend as the vandalism at the University of Iowa. The \$33 million building, which is scheduled to be complete in September, promises to give the university state-of-the-art facilities for students, teachers and researchers in the fields of biology and chemistry.

While no one has come forward to claim responsibility, the Animal Liberation Front (ALF) took credit for \$2 million in damage to two science buildings at the University of Minnesota - Minneapolis campus in 1999.

Humane Society To Merge With Funds For Animals

The Humane Society of the United States is merging with Funds for Animals and thereby become the largest and richest animal rights organization in the country. HSUS President, Wayne Pacelle said he plans to use the organization's combined budget of \$96 million next year to hire five (5) lawyers for a litigation unit. The organization will focus on inhumane treatment of animals in factory farms and other initiatives. Pacelle said he

November 23, 2004

3

UE0368633

D-1050-0003 of 0006

would like to further unify the animal rights movement through other mergers, or by creating an umbrella organization that could carry more political clout in Washington.

Grassroot Eggsperiences

By Chad Gregory

My "Grassroot Eggsperiences" this time took me all the way to Germany. The main focus or purpose of this journey was to find solutions to air emissions from layer houses. In Germany, government rules and regulations, as well as the activists have tremendously impacted agriculture. It was recommended to me several months ago that I should take a trip to Germany to see what has happened to them as well as solutions they have implemented to solve their air emission challenges. This trip turned out to be an eye-opening eggsperience in many areas of our industry besides just environment. A great deal was learned on animal welfare, food safety, specialty egg marketing, check-off programs and the history of Germany. Bottom line and the one message that I heard loud and clear was "don't let the same things happen to us in the U.S. what has happened to the egg industry and all of agriculture in Germany.

Because the environmental regulations are extremely strict nearly all egg production in Germany has gone to Belt style housing. In order to have a permit or get a permit to operate, an emission's test is done in your farm's surrounding area. Based on the number of layers and type of equipment, the farm is regulated as to how far away they can be from other people (neighbors and communities), forests (emissions from your farm cannot damage any other tree in your area) and animals (pets and wild animals that may be living in nearby forests). If an egg producer had high-rise or deep-pit type houses, the emissions from that farm would require them to be miles from any person, plant or animal (obviously impossible), hence the reason for going to belt systems. Believe it or not, there are also "smell experts" that assist the government in determining if a farm needs a permit. These designated "sniffers" have sensitive noses to particular gases and can determine if ammonia and other gases are present. Do we want this in the States...I think not!

Interestingly, 80% of the eggs that are produced in Germany are still in cages even though in 2006, cages are banned. Also, 30-35% of all the eggs sold in Supermarkets in Germany are from non-caged layers. Aldi's is the largest supermarket chain and recently they decided to sell only non-caged eggs - more supermarket chains will follow since the industry leader has taken this approach. It is predicted that sometime in the future all eggs sold in supermarkets will be from non-caged production.

Another interesting tidbit that I picked up is S.E. vaccines are mandatory in Germany to assist in preventing illnesses. S.E. vaccines are recognized as being nearly 100% effective by the government, retailers and producers. Remember, in Germany eggs are not washed or refrigerated.

With all these rules and regulations you would assume that egg producers were willing to deal with them because they were making money. Unfortunately, this is not the case. On caged production the average cost to produce an egg is 5-5 ½ Euro cents. The market right now is 3 ½ Euro cents per egg. On "cage-free", the production costs are 5 ½ - 6 Euro cents per egg while the market is paying only 4 ½ - 5 Euro cents per egg.

November 23, 2004

4

UE0368634

D-1050-0004 of 0006



Washington Report

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Washington, D.C. 20001 ** (202) 842-2345 ** Fax (202) 682-0775

Egg Safety Rule

Public Meetings - On November 16, the Food and Drug Administration held the third and final public meeting on the proposed egg safety rule in Los Angeles. Several egg industry representatives commented on the rule at this meeting. Most commenters urged FDA to recognize state egg quality assurance programs when they meet requirements of the rule. Lou Carson of FDA restated that FDA would consider the use of other Federal and state agencies in enforcement of the rule, but noted the agencies need to have one national program. In this regard, he asked attendees to provide suggestions in their written comments on how this could be accomplished. He asked if states could make data from their systems available to FDA and requested recommendations on how the Agency should audit these systems.

Mr. Carson also asked that written comments identify costs that producers now incur for administering their egg quality assurance programs, including those for egg diversion. UEP is currently surveying members for this kind of information and will use it as appropriate in commenting on the proposed rule.

Producers, scientists, allied industry, and others are urged to provide written comments on the egg safety rule before the comment period closes on December 21, 2004.

Other Commodity Organizations - On November 15, the Washington Team hosted a meeting with representatives of other commodity organizations to discuss the proposed regulation for on-farm *Salmonella* Enteritidis control measures. Several of these groups have expressed interest in learning more about the rule and the concerns that UEP has with it. During the meeting they were provided a history of the rule and the egg industry's concerns with certain requirements of the rule. Some of these organizations noted that they are planning to provide written comments to FDA.

FSIS Risk Assessment

On November 17, UEP/UEA filed comments on the Food Safety and Inspection Service's draft risk assessments on *Salmonella* enteritidis (SE) in shell eggs and all *Salmonella* in egg products. On November 5, the organizations had requested an extension of the short time period (30 days) that FSIS allowed for comments, but an extension had not been granted as of November 17. The comments urged FSIS to revise the current drafts by incorporating any comments from other federal agencies, in addition to the peer reviewers, and re-release the drafts for public comment once those changes have been made.

The risk assessment for egg products estimated that 50,000 - 200,000 illnesses per year are due to egg products. This number is grossly overestimated by the draft risk assessment and needs to be corrected. Since

November 22, 2004

1

UE0368635

D-1050-0005 of 0006

the Egg Products Inspection Act (EPIA) went into effect, the Centers for Disease Control have not reported any outbreaks of human illness due to *Salmonella* in egg products. Conclusions made in the risk assessment were at least partly based on extremely high estimates of the number of SE in positive shell eggs. UEP/UEA asked FSIS to review the data and assumptions they used to develop the illness estimates. FSIS was also asked to use the most recent shell egg outbreak data and consider the effects of vaccination in the assessments.

MAFF Responds to U.S. Suggestions on Export Protocol

Last week, the Japanese Ministry of Food, Forestry, and Fisheries (MAFF) responded to a proposal advanced by USDA several weeks ago to resolve the impasse on the MAFF protocol for the importation of pasteurized liquid/frozen egg products, cooked poultry meat, and raw poultry meat. The major remaining obstacle to egg industry agreement to the protocol was MAFF's insistence that MAFF officials inspect U.S. plants that export to Japan. Poultry meat providers also had other remaining issues.

USDA and other commodity organizations opposed the MAFF inspections as precedent setting since another Japanese agency has long recognized and accepted the FSIS inspection programs. UEA, the USA Poultry and Egg Export Council and other poultry organizations asked USDA to offer a counter proposal that Japan accept third-party audits by private audit firms or USDA's Agricultural Marketing Service. In the latest response from MAFF, it has proposed suspending their plant-by-plant inspection clause subject to an audit of the FSIS system. After that, MAFF would recognize FSIS authority to approve plants and would not conduct additional inspections unless some significant food safety problem occurred.

Exporting plants must bear the cost of the Japanese inspections. After completing consultations with industry, USDA hoped to respond to MAFF early this week.

USDA officials believe that MAFF is intransigent on their latest position and noted the need to move quickly if there is agreement with the MAFF counterproposal since another outbreak of low-path AI H5 or H7 subtype or high-path AI will put the protocol on hold until the United States is again free of AI. If the United States agrees to the latest proposal, U.S. egg products would continue to move uninterrupted to Japan in the event of either a LPAI or HPAI outbreak with one exception. No eggs from the flock infected with H5, H7, or HPAI could be used in the manufacture of egg product for Japan.

Low Pathogenic Avian Influenza

Congress late Saturday completed work on a Fiscal Year 2005 Omnibus Appropriations Bill that included \$23 million in funding to speed up implementation of a long-term program to control Low Pathogenic Avian Influenza (LPAI). The House of Representatives had voted earlier to fund the LPAI program at \$23 million, while the Senate and the Administration favored \$13 million. This past year, the program was funded at \$1 million.

UEP, the National Turkey Federation, and the National Chicken Council will continue to work with USDA and Congress to ensure proper implementation of the program, which will focus both on clean-up of the live bird markets and on implementation of a commercial testing program.

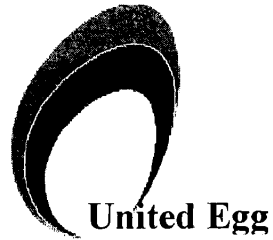
November 22, 2004

2

UE0368636

D-1050-0006 of 0006

EXHIBIT H



United Voices

Gene Gregory – Editor

HIGHLIGHTS OF THIS ISSUE

- * **HSUS Pushes Bill**
- * **Molted Flocks – Back In Production**
- * **FMI/NGA Conference**

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HSUS Pushes The Farm Animal Stewardship Purchasing Act

The Humane Society of the United States (HSUS) urges Congress to pass House Bill # 5557, the Farm Animal Stewardship Purchasing Act, which was introduced by Congressmen Christopher Shays (R-CT) and Peter DeFazio (D-OR) on June 8th. The Bill would require animal producers supplying meat, dairy products and eggs to the military, federal prisons, school lunches, and a variety of other federal programs to comply with animal welfare standards.

The Bill would require that producers provide farm animals with adequate shelter and space, daily access to food and water, and adequate veterinary care. Adequate shelter is defined as: *"adequate shelter which allows sufficient space for the covered animal to stand, lie down, get up, walk, move his or her head freely, rest, and turn around completely and fully extend all limbs or wings without touching any part of the enclosure."*

HSUS has obviously worked with the Congressmen to include language within the Bill that would prohibit egg producers with cage layers from selling products to the government and therefore promote their agenda for non-cage systems.

Congressman Shays, co-chair of the Congressional Friends of Animals Caucus said: *"Our government can have a tremendous impact in encouraging improved treatment of animals by requiring producers to meet basic federal animal welfare requirements. I look forward to working with Representative DeFazio and the HSUS on building support for this legislation".*

Congressman DeFazio said: *"Increasingly, Americans are demanding we treat farm animals more humanely. As a major buyer of farm animal products, the federal government can and should help lead the way, encouraging more humane practices."*

HSUS says: *"Each year, the federal government spends billions of dollars on food for programs at agencies including the National School Lunch Program, the Armed Services, and the Bureau of Prisons. Consumers are demanding better animal welfare standards and many national corporations have stopped selling eggs from hens kept in battery cages and adopted other food reforms. The Shays/DeFazio bill would help move the market in this direction."*

HSUS has urged their members and anyone visiting their website to contact their Congressmen and urge their Congressman to co-sponsor and support H.R. 5557.

June 23, 2006

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Case No. 1:11-cv-08808

D-1086

D-1086-0001 of 0004

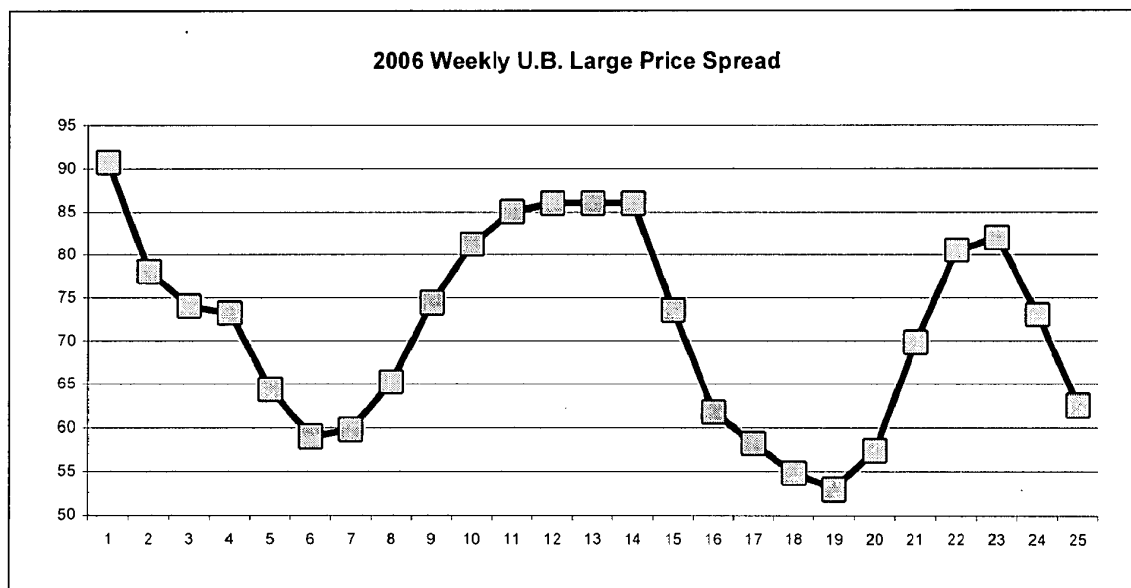
Are Early Molted Flocks Back in Production?

Recognizing that shell egg demand has historically been out of balance with supply during the weeks between Easter and Labor Day, UEP's Marketing Committee recommended that members molt and dispose of flocks six weeks earlier than previously scheduled.

Since mid-May we have seen egg prices rise by 29 cents per dozen and then begin to decline. From the early June peak price, we have seen prices decline by 24 cents per dozen within 11 days. The Urner Barry Midwest Large quote was at 58 cents on June 22nd (the day this story was written) and 7 cents per dozen below the unprofitable level on the same day a year ago. Have early molted flocks come back into production? Did anyone follow the recommendation to dispose of flocks six weeks early? Do these wide market swings do a disservice to our customers? **Am I wasting my time writing about this and urging producers to be more responsive?** Egg producers, whether marketing shell egg or egg products, are going to have to come to terms with the oversupply problem.

A producer wrote UEP saying: *"It is pretty obvious that the molted birds from about six weeks ago are all back in production and we know that we cannot expect the breakers to help us out as they are nearly self-sufficient and the dried inventories are at or near all time highs. We were wondering if a proposal to extend all molts by one additional week through September would be a simple enough program to get everyone who molts to participate. It would not matter what length of molt you currently do, just extend it by one week. We think it would have a very positive impact on supply."*

UEP's Production Planning Calendar provides a 10-year history of supply demand. The average supply demand index for the weeks between July 1 and September 15 is 94.12% meaning that supplies have historically been nearly 6% greater than the demand. Based upon this history, shouldn't we reduce supply over the next 11 weeks? Shell egg producers need to recognize that with nearly 50% of all eggs being broken coming out of in-line production/breaking facilities, finding a home for surplus shell eggs is becoming more and more difficult.



Largest New Zealand Egg Producers Will Label Eggs As Cage Eggs

Animal activists presented a petition with more than 51,000 signatures to the New Zealand Parliament, which forced the two largest cage egg producers in the country to label their egg cartons as "Cage Eggs".

June 23, 2006

2

UE0074587

D-1086-0002 of 0004

British Egg Council Seeks Ban On EU Egg Imports

Britain's Egg Industry Council is asking that the country stop importing eggs from certain European Union countries because of salmonella threats. The Council believes that imports from other EU countries should be banned unless they have been produced to the standards required by the British Lion scheme, including vaccination of hens against salmonella, a best-before date on every egg and full traceability of eggs, hens and feed.

Pork Welfare Program

The Pork Industry Animal Care Coalition has announced the new Pork Quality Assurance Plus welfare certification program. It is reportedly been developed by the Pork Industry Animal Care Coalition, which is composed of pig producers, meat packers, processors, retailers, restaurants and their associations. Scheduled for launch on July 1, 2007, with a 3-year implementation period, the program consists of training, on-farm assessments, certification and an auditing process.

Maurice Stein Award

The scholarship foundation named in honor of UEP's first Chairman, Maurice Stein and managed by UEP, has annually rewarded a college student with a scholarship for future education. The selection of the student to receive the scholarship is made by the Poultry Science Association.

This year's honoree is Vanessa Kretzchmar-McCluskey, who received a B.S. in Poultry Science with a minor in Spanish from Auburn University. Vanessa entered into her Ph.D. research and is currently pursuing her studies with research focusing on the natural prevalence of *Salmonella* Enteritidis and other microflora on the exterior, in the interior shell, and in the contents of shell eggs. She manages the Auburn University Egg Quality Laboratory where research is done on the functional properties of eggs. In the future, Vanessa hopes to work in an educational or research and development field focusing on food safety.

Farmed Animal Net

This website says this is a source for "*objective information for the thinking advocate*". So who are the sponsors of www.farmedanimal.net? The answer is: Animal Place, Animal Welfare Institute, Animal Welfare Trust, Farm Sanctuary, The Glaser Progress Foundation, The Humane Society of the United States (HSUS), and People for Ethical Treatment of Animals (PETA). Once again, it shows that HSUS and PETA have close ties.

Condolences

Joseph Maust Sr. passed away at his home on June 16th at the age of 98. The founder of Active Feed Company and the egg production/marketing company of the same name was still coming to the office in Pigeon, Michigan a few hours per day up until his death. The long time member of United Egg Producers was a sportsman and enjoyed golf, hunting, bowling, and downhill skiing. He and his wife Emma had recently celebrated their 70th wedding anniversary. Beginning as a farmer, Mr. Maust ventured into the frozen food locker plant business and later added a grocery store. Moving on from those enterprises, he opened his feed business, later adding the egg production and marketing, then a propane gas business, and held a majority interest in a local area bank with financial services and insurance.

FMI/NGA Public Policy Conference

UEP recently had the opportunity to promote the **United Egg Producers Certified** program to the members of the Food Marketing Institute (FMI), the National Grocers Association (NGA), and the Food Industry Association

June 23, 2006

3

UE0074588

D-1086-0003 of 0004

Executives (FIAE). The event, **Public Policy Conference**, held in Washington, D.C., included Executive level representatives from most of the major grocery chains and many small retailers in the country.

The **United Egg Producers Certified** program was presented on four occasions at the following events:

- FMI/NGA Joint State Association Meeting
- FMI Public Affairs & Government Relations Committee Meeting
- NGA Government Relations Leadership Council Meeting.
- Breakfast meeting of all attendees.

Bird Flu Preparedness Workshop

Approximately 90 people were in attendance at the UEP Avian Influenza Workshop held in Atlanta on June 14 & 15. Experts making presentations on the subject of avian influenza included:

- Dr. David Swayne – USDA/ARS Southeastern Poultry Research Lab
- Dr. Nina Marano – Centers for Disease Control
- Dr. Jill Nezworski – Minnesota Veterinarian
- Andy Rhorer – USDA/APHIS National Poultry Improvement Plan
- Dr. Karen Grogan – USDA/APHIS National Poultry Improvement Plan
- Dr. Larry Granger – USDA/APHIS
- Dr. Nan Hanshaw Roberts – Pennsylvania Department of Agriculture

The package of material included information prepared by UEP's Washington team that addressed the issues of:

- Prevention
- Low-Path versus High-Path Avian Influenza
- Surveillance
- Response Plan for HPAI
- State Role & Individual Producer Impact
- Crisis Communications Manual

Egg Products

USDA reported, for week ending June 17, 2006, that the number of cases of shell eggs broken, year-to-date, was 1% below the previous year levels. Despite breaking 1% fewer cases, the volume of liquid whole egg was reported to be 3% larger than a year ago at this date.

USDA reported the dried egg inventory on May 31, 2006 to be 48% larger than on the same date a year ago and 13% larger than the previous month.

Largest Food Retailers

Feedstuffs magazine listed the largest food retailers in the U.S. in terms of dollar sales in their June 5th issue. Wal-Mart, Kroger, Albertson's, Safeway, and Costco were the five leading companies. With the merger of SuperValu in the 11th spot and Albertson's in the 3rd spot, things will be changing but the combination will not replace either Wal-Mart or Kroger.

Wal-Mart holds a 26.7% share of the total grocery sales in grocery stores and supermarkets based upon 2005 sales, followed by Kroger's 9.8%. The two companies represent 24.7% of all food sold in retail formats.

June 23, 2006

4

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D-1086-0004 of 0004

EXHIBIT I



December 1, 2011

Gene Gregory
President
United Egg Producers
1720 Windward Concourse #230
Alpharetta, GA 30005-2291

RE: Sparboe Farms, Inc.
United Egg Producers Membership

Dear Gene:

Sparboe Farms has a long tradition of making decisions based on meeting our customers' expectations. Regrettably, some decisions that appeared to be in our customers' best interests put us at times in disagreement with other egg producers and the UEP. We realize that the core values we held and some of the decisions we made put a target on us. The resulting media and customer response has been overwhelming to our company.

This has been a very painful lesson. While UEP correctly foresaw the issues which Sparboe Farms is now confronting, we did not. It is a new day at Sparboe Farms. We believe the United Egg Producers negotiated the most workable agreement for the egg the industry based on all options available. We have learned from this experience and realize the value of being an active and engaged member of the United Egg Producers.

While each producer has unique circumstances, we understand that collectively, the egg industry is stronger and will be most successful in dealing with the challenges the industry faces. Going forward, Sparboe Farms will support industry initiatives in scientific research, legislative and regulatory efforts. We would like to get our operations audited and approved for the UEP certified program as soon as possible.

I respectfully ask that you reinstate Sparboe Farms' membership in the United Egg Producers. I assure you that we will be positive and supportive.

Respectfully,

Beth Sparboe Schnell
President

23577 Hwy. 22 Litchfield, MN 55355 • 1-800-237-8344 • Fax: 320-593-9700 • www.sparboe.com

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DEFENDANTS'
EXHIBIT
Case No. 1:11-cv-08808
D-0791

D-0791-0001 of 0001

EXHIBIT J

Application For Certification Of Animal Husbandry “*Certified Company*”

The company designated below makes application to be considered by United Egg Producers (UEP) as a CERTIFIED COMPANY meeting UEP’s “*Animal Husbandry Guidelines for U.S. Egg Laying Flocks.*”

The company understands that in order to achieve this certification, it must commit to meeting UEP guidelines on 100% of their egg production facilities designated for the grocery and/or foodservice trade. While not required, at this time, we recognize that companies within the further processed industry may also want to use the certified company designation and therefore invited to make an application.

The company further agrees to provide UEP with a listing of all company egg production facilities designated by house number or name, location, cage size, number of cages, and total square inches of cage space per house.

Beginning on July 1, 2002, the company commits to meeting the guidelines for beak trimming as each flock reaches the age at which time the trimming will be conducted.

Beginning on July 1, 2002, the company commits to meeting the guidelines for molting as each flock reaches the age at which time the molt will be induced.

Beginning on July 1, 2002, the company commits to meeting the guidelines for handling & transportation for both pullets and spent hens as each flock reaches the age at which time this must occur.

For audit purposes, production managers in each organization should keep a unique and dedicated database for each flock beak trimmed, each flock molted, and each flock depopulated after July 1, 2002. This database will track the organizations adherence to UEP’s guidelines.

The company commits to meeting the space allowance guideline as detailed below:

1. All day old chicks hatched after April 1, 2002 will be placed in the layer house based upon a house average of 56 square inches per hen.
2. All day old chicks hatched after October 1, 2003 will be placed in the layer house based upon a house average of 59 square inches per hen.

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**DEFENDANTS'
EXHIBIT**

Case No. 1:11-cv-08808

D-0578

D-0578-0001 of 0008

3. All day old chicks hatched after April 1, 2005 will be placed in the layer house based upon a house average of 61 square inches per hen.
4. All day old chicks hatched after October 1, 2006 will be placed in the layer house based upon a house average of 64 square inches per hen.
5. All day old chicks hatched after April 1, 2008 will be placed in the layer house based upon a house average of 67 square inches per hen.

The company agrees to be audited annually by a 3rd party independent auditor to confirm that the company is meeting the guidelines.

The company agrees to provide UEP with a copy of the audit results upon the completion of each audit.

The company must recognize that passing the audit is necessary in order to maintain the *Certification status*.

UEP Will:

Provide assurance that all records of house identification, square inches of space per hen and results of completed audits are kept in strict confidence.

Provide each company with the UEP Audit Form For Animal Husbandry Guidelines, which is intended for use by independent auditors.

Upon receiving application, which implies a commitment, UEP will provide the company with a provisional Certification Number on a first come, first serve basis starting with the number 101.

Upon receiving application, which implies a commitment, UEP will provide the company with a provisional Certified Processing Plant Number on a first come, first serve basis starting with the number 101-1.

The *Company Certification Number and Processing Plant Number* may be used in the market place on packing material or promotional items.

UEP will provide the company with a provisional Certification Statement, which may be used to display or share with a customer.

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D-0578-0002 of 0008

AUDIT:

Upon satisfactory completion of the first animal husbandry audit the company will be fully certified. Failure to pass the audit will result in a 60-day remediation period for corrective actions and a follow-up audit to achieve certified status.

The first audit must take place within 9 months of receiving the provisional certification status.

By evidence of our company named here and signed by an officer of the company, we hereby make application to be classified as an *Animal Husbandry Certified Company*.

Company

Signed By:

Address

Address

Phone

Fax

email

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D-0578-0003 of 0008

DRAFT

UEP
Audit Form For Animal Husbandry Guidelines

This audit form is for the sole purpose of auditing egg laying facilities and standards to determine their compliance with the UEP *"Animal Husbandry Guidelines for Laying Flocks"*.

The audit shall be conducted in a manner much like a financial or HACCP food safety audit. The producer must provide the independent auditor with records to support their compliance of the guidelines for *Housing & Space Allowance – Beak Trimming – Molting – Handling & Transportation*.

Since the audit may be taken at a "moment in time", it likely is impossible to inspect each facility or service performed as each occurs. The auditor may elect to physically inspect each of the company's facilities or may randomly select facilities for inspection. Records are therefore critically important to a successful audit.

The intent of this audit is to allow those companies acting in good faith to pass the audit. Failure to pass the audit will result in a 60-day remediation period for corrective actions and a follow-up audit to achieve certified status.

Egg producers desiring to be classified as a *"Certified Company"* must begin to implement the UEP guidelines with chicks hatched after April 1, 2002 and follow the schedule of future hatch dates and space requirement.

Egg producers desiring to be classified as a *"Certified Company"* must begin to implement the UEP guidelines for beak trimming, molting, handling & transportation by July 1, 2002.

The first audits of layer houses would, therefore, not begin until after August 2002.

To be recognized as a *Certified Company*, the producer must agree to be audited by an independent auditor annually or as often as the producer and customer mutually agree.

The independent auditor must keep the audit results in strict confidence and may only share the results with the egg producer having requested the audit.

Audit Conducted For: _____
Company (Egg Producer)

Audited By: _____

Date of Audit: _____

Signed by auditor: _____

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D-0578-0004 of 0008

Audit To Meet UEP Guidelines for Egg Laying Flocks

House number or name being audited _____

House Location: _____

Housing & Space Allowance:

Hatch date of day old chicks for layer house being audited: _____

Number of birds at 18 weeks of age for the layer house: _____

Dimension of cage _____ inches by _____ inches.

Total cages within the house _____

Total square inches of cage space within the entire house _____

House average cage space per hen at 18 weeks or date of housing _____

(total square inches divided by the number of birds housed at 18 weeks)

Inventory of birds on date of audit _____

House average cage space per hen at date of audit _____

	Points Possible	Points Received
Does the layer house provide the house average cage space?		
For chicks hatched after April 1, 2002 provide minimum of 56 sq. inches		
For chicks hatched after Oct. 1, 2003 provide minimum of 59 sq. inches		
For chicks hatched after April 1, 2005 provide minimum of 61 sq. inches		
For chicks hatched after Oct. 1, 2006 provide minimum of 64 sq. inches		
For chicks hatched after April 1, 2008 provide minimum of 67 sq. inches		
Are all hens able to stand comfortably upright within the cage?		
Is feed and water kept so that it remains in fresh condition?		
Is feeder space sufficient to allow all birds equal access to feed daily?		
Is there a minimum of one water cup or nipple for no more than 12 hens?		
Is light intensity sufficient to allow for daily inspection of birds?		
Does ventilation system allow for continuous flow of fresh air for all birds?		
Are concentrations of ammonia within the cage area monitored?		
Is ammonia kept below 50 ppm during a 24 hour TWA period?		
Are wild birds, pets, and other animals kept out of the building?		
Are dead or injured birds removed from cages daily?		
Are injured birds euthanized in a humane manner?		
Are stand-by generators and alarm systems provided and checked?		

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D-0578-0005 of 0008

Audit To Meet UEP Guidelines For Egg Laying Flocks

House number or name being audited _____

House Location: _____

Beak Trimming:

Hatch date of day old chicks for layer house being audited: _____

	Points Possible	Points Received
Does the company beak trim birds?		
If trimmed was first trim conducted at 10 days or younger?		
If second trim was necessary was it done at 8 weeks or younger?		
Is beak trimming crew trained and monitored for quality control?		
Were nutritional supplements provided before and after trimming?		
Was water and feed level increased until beaks were healed?		
Are the blade and guide holes of beak trimming machine cleaned regularly?		

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D-0578-0006 of 0008

Audit To Meet UEP Guidelines For Egg Laying Flocks

House number or name being audited _____

House Location: _____

Molting

Hatch date of day old chicks for layer house being audited _____

Date molt period was induced _____

	Points Possible	Points Received
Does the company use a molting program? _____		
Does the company use a molting program that does not require feed withdrawal?		
If so, were sick or injured birds culled before molt began?		
If so, was nutritionally adequate feed available?		
If so, was body weight loss limited to no more than 30% of starting weight?		
If so, was mortality during molt period less than 1.2%?		
If so, was weight loss and mortality monitored daily?		
Was water available at all times?		
Does the company use a molting program that requires feed withdrawal?		
If so, were sick or injured birds culled before molt began?		
Was mortality monitored daily during the molt?		
Was feed returned before mortality exceeded 1/2%?		
Was feed returned before body weight loss exceeded 30%?		
Was water available at all times?		
During the molt did hens have a minimum of 8 hours of light in closed houses or natural day length in open houses?		

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D-0578-0007 of 0008

Audit To Meet UEP Guidelines For Egg Laying Flocks

House number or name being audited _____

House Location _____

Handling & Transportation

Hatch date of day old chicks for layer house being audited _____

Dates of handling & transportation _____

	Points Possible	Points Received
Were members of catching crew knowledgeable & skillful in handling hens?		
Was catching crew supervised?		
Was catching and transport crew advised of guidelines prior to work beginning?		
Were hens handled in a manner to avoid bone breakage or injury?		
Were hens placed in or removed from cage one or two at a time by grasping both legs?		
Were the hen's breast supported by lifting over the feed trough?		
Were carts used to move hens from cage to transport vehicle?		
Was transport vehicle clean?		
Were all cage or panel doors closed on transport vehicle before being transported?		
Was water available at all times up until the moment of removal from layer house?		
Was feed available up until at least 24 hours before removal from the layer house?		

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D-0578-0008 of 0008

EXHIBIT K

From: Gene Gregory [gene@unitedegg.com]
Sent: Friday, January 20, 2006 3:00 PM
To: West, Gary ; Tom Hertzfeld; Steve Gemperle; Ron Truex; Mooney, Wayne ; Mark Oldenkamp; Marcus Rust; Larry Seger; Kurt Kreher; John Sperry; Joe Fortin; Jim Dean; Jim Brock; Herbruck, Steve ; Glenn Hickman; Galan Merrill; Derek Yancey; Deffner, Roger ; Danny Linville; Coke Anderson; Cliff Lillywhite; Clanton, Gregg ; Bynum, Mike ; Brian Barrett; Bob Krouse; Bill Rehm; Barrie Wilcox; Baker, Terry ; DOLPH BAKER; Amon Baer; Al Schimpf; Tim Bebee; Steve Storm; Roger Seger; Peter Clark; Paul Sauder; Mike Gidley; Ky Hendrix; Kurt Lausecker; Kevin Whaley; Jason Wadsworth; David Thompson; Chris Pierce; Ryan Armstrong
Cc: Kevin Haley; Mitch Head; Howard Magwire; Chad Gregory; Al Pope
Subject: March 14, 2000
Attachments: comments from the committee to UEP Jan 19 2006.doc

To All:

Meeting folders for next week's meeting have been completed, boxed up and ready for delivery.

Just arriving today was a communication from our Scientific Advisory Committee. Dr. Jeff Armstrong solicited input from all scientific committee members.

It is too bad that this report will not be in the meeting folder next week and we do not have time on the agenda to present this. It is important to demonstrate the working relationship that UEP and the Scientific Committee have had for 5 years and how we have been supportive of one another. Through the years, Producer Committee Chairmen, Barrie Wilcox, Bob Krouse, Paul Bahan, and Mark Oldenkamp have done an excellent job of representing producers when meeting with the Scientific Committee.

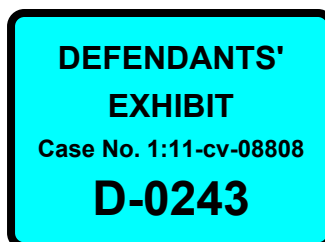
Please take the time to read this report from the Scientific Committee before Monday's meeting.

Gene

1

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CM00478024



D-0243-0001 of 0006

**A Scientific Approach for the Establishment of Welfare
Guidelines for Laying Hens:
Where Have We Been and Where are We Headed?
A Communication to UEP Members**

The purpose of this communication is to continue the candid dialog between the United Egg Producers and the Scientific Advisory Committee regarding animal welfare. This communication is provided on behalf of the scientific advisory committee.

As you know, the egg industry was one of the first industry groups to establish welfare guidelines for an animal agriculture enterprise. From the beginning, you asked the scientific advisory committee to focus first and foremost on welfare. The committee commends you on your support of science-based guidelines. We have repeatedly been told by producers that UEP's guidelines must remain as closely aligned to the scientific committee recommendations as possible. This has occurred to date not because you have always agreed with the recommendations but because you have remained committed to the science and thus the scientific committee.

In 1999, UEP commissioned a committee of scientific experts to provide recommendations for new welfare guidelines for layer hens. The charge to the committee was to determine what was best first and foremost from the welfare perspective. The committee had no pre-ordained members or outcomes. We were able to attract the best and brightest to serve on this committee. They agreed to serve because they believe in science-based guidelines. A list of committee members follows.

United Egg Producers Scientific Advisory Committee Membership

- Jeff Armstrong, Michigan State University, Chair
- Don Bell, University of California - Riverside
- Bill Chase, Kestrel, Inc.
- Adele Douglass, Humane Farm Animal Care (no longer a member)
- Patricia Hester, Purdue University
- Joy Mench, University of California - Davis
- Ruth Newberry, Washington State University
- Margaret Shea-Moore, formerly USDA-Agricultural Research Service, Livestock Behavior Unit (no longer a member)
- Larry Stanker, USDA-ARS (no longer a member)
- Janice Swanson, Kansas State University
- Paul Thompson, Michigan State University (member added in 2005)
- Gail Golab, American Veterinary Medical Association (member added in 2005)

While you have made good progress, it is our perception that resistance has grown within two distinct groups. First, from activists groups that do not want to see your industry in existence has certainly increased. One of these groups has openly stated that if they can

“take down” the most progressive group in animal agriculture, then the remaining groups will be easy. Second, and equally concerning, it is our perception that some egg producers are increasing their resistance to the program.

It is not the intent of the scientific committee to try to tell UEP how to run its business or even its UEP Certified Program. However, our intent is to stress the importance of science-based guidelines. With this in mind, the intent of this communication is to place our advice in a clear context. The science-based guidelines that we produced and you accepted should be viewed as minimums. It is essential that egg production in cages follow science-based guidelines. It is critical that all hens should be managed using science-based guidelines. **Simply stated – failure to adhere to these minimum guidelines is not consistent with humane treatment of laying hens.**

Why is this important? First and most importantly, it is the right thing to do. Our guidelines provide key recommendations for space allotments, etc. that produce humane conditions for laying hens. Second, it is our strong opinion that failure of the industry to adhere to these guidelines will eventually result in mandatory government imposed guidelines or banning of cages. Moreover, we believe mandatory (governmental or other) guidelines will be far more stringent than the current UEP guidelines.

The purpose of this communication is to stress the importance of staying the course. We will take the remainder of this document to remind you of our science-based recommendations and follow with some discussion.

We are aware of the discussions that are ongoing within UEP and believe you are at a critical point. We understand that some believe that the UEP certified program should be limited to a few of your members. Our point is simple -- we have provided science-based guidelines that we believe ensure a MINIMUM level of welfare for hens. Producing eggs in any manner (UEP certified or not) that is not consistent with the science-based guidelines is not appropriate.

In the following discussion, we will review portions of the Animal Care Guidelines, based upon the recommendations of the Scientific Advisory Committee. These include science-based standards for cage space per hen, air quality, beak trimming, molting, handling and transportation. In addition, we'll note changes that have occurred as a result of dialog between the scientific advisory committee and the producer welfare committee. The following are important points.

- While the scientific committee has continued to work and to refine the guidelines, the core recommendations have not changed from what the UEP Board unanimously accepted in 2000.
- The original recommendations clearly stated that feed withdrawal as a method to induce a molt was a welfare problem. We recommended research be conducted. After studying the data, the scientific committee clarified our initial guidelines to prohibit the use of feed withdrawal to induce a molt. The United Egg Producers approved and adopted this change to begin on January 1, 2006.

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D-0243-0003 of 0006

- Feeder space: As the UEP phased in increased floor space allotments; the scientific committee fully expected a correlated increase in feeder space. However, changes in cage orientation resulted in increasing space allotment per bird and a decrease in feeder space. The scientific committee has stressed the importance of feeder space and has also recognized that additional research is needed. While that research is still in progress, the scientific committee strongly believes the feeder space requirements suggested by its results will be similar to the current guideline of 4 inches.
- While the UEP has recognized a need to continue using existing equipment, the scientific committee questions whether some equipment may not be providing sufficient usable floor space that allows all hens to stand comfortably upright within the cage. We continue to maintain that all new equipment must be constructed to provide a cage height of 16 to 17 inches.

Please note – the text that is included is identical to the guidelines published in Feedstuffs with the exception of responses / updates added in italics. The full document will be attached to this communication.

General

Recommendations *(Response / Update provided in Italics)*

1. The UEP should regularly review and revise their Guidelines for hen welfare to take into account current scientific knowledge about hen welfare. *The committee commends the UEP for their proactive embrace of science-based guidelines. The committee has continued to meet on a regular basis.*
2. The recommendations in the UEP Guidelines should be designed to foster high standards of hen welfare while still maintaining the economic vitality of the industry. *The committee was clear about suggesting science-based guidelines but refrained from imposing timelines on the industry. The committee believed and still believes that this is a question for the industry (including all portions of the chain).*
3. The UEP should promote scientific research on methods to evaluate and improve hen well-being. *The committee commends the UEP as research has been conducted on non-feed restriction methods to induce a molt. Work is ongoing to better understand feeder space requirements.*

Housing, Space Allowances, and Environment

Recommendations *(Response / Update provided in Italics)*

1. Cage configuration should be such that manure from birds in upper cage levels does not drop directly on birds in lower level cages. *The UEP has confirmed that this is 100% (i.e. – no manure can drop on birds).*

2. Hens should be able to stand comfortably upright in their cage without having their heads protruding into the cage above. A cage height of 16 inches to 17 inches will generally be acceptable for small Leghorn strains, while larger strains will require taller cages. The slope of the cage floor should not exceed 8 degrees. *Discussion has focused on this requirement. Some have raised concerns that hysteria may ensue but there is no evidence from the literature.*
3. Space allowance should be in the range of 67 square inches to 86 square inches of usable space per bird, depending on the type of cage and the type of bird that is being housed. For example, space allowance can be at the low end of the range in shallow cages in which small Leghorn strains are housed, but should be at the higher end of the range in deep cages housing larger strains like brown hens. Usable space is space that is not obstructed by cage equipment, and that has a ceiling height that is high enough for the hens to stand comfortably upright. *The UEP has a phase in plan to move all UEP birds to the minimum. This is progressing well.*
4. A minimum feeder space of 4 inches per bird should be allocated such that all birds can feed simultaneously. This has been quite controversial. The scientific committee clearly considered that as space per bird was increased per item 3 above that there would be a concomitant increase in feeder space. In contrast, producers worked with cage manufacturers to change the orientation of the cage such that projected feeder space would be less than 3 or 2.5 inches once the approved space allotment was attained. The committee has reiterated the guideline stated in item 4 but acknowledged that much of the research was dated. Two experiments are in progress. The committee strongly believes that a minimum of 3 to 4 inches will still be required.

Beak Trimming Laying Strains Of Chickens

Recommendations (Response / Update provided in Italics)

1. Where possible, producers should select genetic stocks known to require little or no beak trimming. *The scientific committee acknowledges that beak trimming is generally required in most birds in all housing systems in order to reduce the chances of cannibalism. Further, the committee recognizes that this is a long-term goal that will require the cooperation of breeding companies.*

MOLTING

Recommendations (Response / Update provided in Italics)

1. Producers and researchers are encouraged to work together to develop alternatives to feed withdrawal for molting. These alternatives should include the following:
 - a) that the hens are able to consume nutritionally adequate and palatable feed to maintain body weight and zero egg production;

- b) body weight loss should be sufficient so as not to compromise hen welfare during the postmolt period
- c) mortality during the molt should not substantially exceed normal flock mortality.

Until such time that these alternatives are available, the shortest period of feed withdrawal possible should be used to accomplish the goal of rejuvenating the hen's egg production capabilities and overall welfare. *The scientific committee clearly stated that feed restriction was not a sustainable method for inducing a molt. The UEP sponsored research demonstrated that non-feed withdrawal methods were a successful alternative to feed withdrawal. Subsequently, the UEP producer animal welfare committee and the UEP Board eliminated feed withdrawal as a humane method to induce a molt. The committee commends the UEP on this action.*

Some have argued that this represents a change in guidelines, etc. Guidelines will have to evolve over time as more scientific information becomes available and the genetics of birds change. In contrast, this simply represents that application of a principle that was established at the beginning.

Humane Handling, Transportation and Slaughter of Spent Hens

Recommendations *(Response / Update provided in Italics)*

1. Provide caged layers horizontal and vertical space to facilitate movement and, thus, help to maintain bone strength during lay. Giving hens adequate horizontal and vertical space can improve bone strength, but there is currently insufficient scientific information to recommend specific cage heights and space allocations for bone strength improvement.
2. Feed appropriate diets and provide adequate feeder space to ensure that all hens in lay are able to consume sufficient calcium and phosphorus everyday to support eggshell formation without loss of structural bone. *The scientific committee has recognized that non-feed withdrawal methods used to induce a molt require that birds are fed to meet non-lay requirements for nutrients.*

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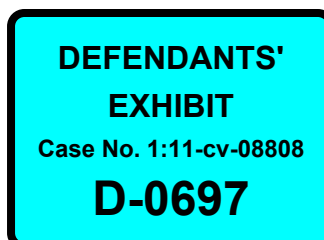
D-0243-0006 of 0006

EXHIBIT L

STATUS**FMI-NCCR Animal Welfare Guidelines
Updated March 2007**

<u>Producer Organization</u>	<u>FMI-NCCR Endorsement</u>	<u>Points of Difference</u>
American Meat Institute (AMI)	Endorsed slaughter guidelines and training materials documents for cattle, swine, sheep and goats (2002).	None.
United Egg Producers (UEP)	Endorsed production, handling, transportation, processing and euthanasia guidelines for layers of shell and breaking eggs (2002).	None
Milk & Dairy Beef Quality Assurance Center (DQA); National Milk Producers Federation	Endorsed DQA's Animal Care Guidelines and training program for milk and dairy beef (2002).	None.
National Chicken Council (NCC)	Endorsed slaughter guidelines for broiler chickens (2003).	None.
	Endorsed NCC's animal welfare guidelines for production, transportation and euthanasia (2004).	None.
The Pork Board	Endorsed animal welfare guidelines of the swine industry (2004).	FMI and NCCR have issued a policy statement on housing for pregnant sows.
National Cattlemen's Beef Association (NCBA)	Endorsed NCBA Animal Care and Handling Guidelines (2005)	None.
National Turkey Federation (NTF)	FMI-NCCR Advisors are reviewing production and slaughter guidelines of the turkey industry.	Guideline review not completed

FMI-000076



D-0697-0001 of 0001

EXHIBIT M



**JUNE 2002 REPORT
FMI-NCCR Animal Welfare Program**

INTRODUCTION

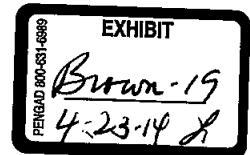
This report gives an overview of the results of almost two years of effort by the retail community working with an advisory panel of scientific experts in animal welfare to improve the care and handling of animals used for food. Although we have made substantial progress, the efforts of Food Marketing Institute (FMI) and the National Council of Chain Restaurants (NCCR) and the advisory panel are not complete. This report is one in a series meant to communicate publicly the industry's progress. This is not a stand-alone document; it is to be used in conjunction with the animal welfare guidelines of the producer and processor organizations identified within this report. Information on how to contact these organizations is attached.

The issues covered in this report are important and complicated. Some recommendations contained within this report have economic implications. Some require an implementation timetable because they cannot be accomplished immediately. Some areas are still being researched to confirm that changes will enhance, not hinder, animal well-being. It is our intention to be straightforward about all of these issues in this and future reports.

Retailers, animal welfare experts, animal welfare advocates, producers, processors, and the public share the common goal that all animals used in agricultural production be cared for in a manner that takes into account their daily well-being and health. We believe this means that in addition to having ready access to fresh water and feed and adequate shelter, animals in agricultural production must be kept in an environment designed to protect them from physical, chemical and thermal abuse, stress and distress. Managers and those responsible for handling these animals must be thoroughly trained, skilled and competent in animal husbandry and welfare. Animals must be transported in a safe and appropriate manner. They must be processed humanely.

FMI and NCCR have been working with independent, expert advisors and the producer/processor community to promote "best practices" for each species that will ensure animal well-being throughout production and processing. We continue to consult regularly with experts in animal science, veterinary medicine and agricultural production to obtain objective, measurable indices for desirable practices in the rearing, handling and processing of animals for food. We continue to urge appropriate Federal and state government agencies to strictly enforce animal welfare protection laws.

FMI and NCCR believe that our efforts to-date have made, and our future efforts will continue to make, a significant contribution to enhancing the well-being of animals in agricultural production.



FMI-000015

DEFENDANTS'

EXHIBIT

Case No. 1:11-cv-08808

D-0674

D-0674-0001 of 0008

FMI-NCCR Goals

FMI and NCCR merged efforts to further develop and support industry policies strengthening animal welfare with the following specific goals in mind:

- Consistency across the US retail sector.
- Implementation of practicable and attainable guidelines based on science.
- A measurable audit process.
- An ongoing advisory council of third party, independent animal welfare experts.
- Improved communications across the supply chain on animal welfare issues.

The FMI-NCCR Process

During the past 20 months, FMI and NCCR have been meeting in person and by conference call with our respective retail member committees, our independent advisors and producer organizations. Our experts have reviewed existing producer animal welfare guidelines, identified gaps and recommended specific changes, additions and revisions.

Working with our expert advisors, we created three guidance documents that recommend the process, guideline content and audit components necessary to develop meaningful and effective animal welfare guidelines. We developed these guidance documents to identify best practices and assess industry standards across animal species.

In May of 2002, our independent expert advisors met to review the revised guidelines submitted by the American Meat Institute, United Egg Producers, Milk and Dairy Beef Quality Assurance Center, National Pork Board, National Chicken Council and National Turkey Federation. This report contains the recommendations of our advisors following that review process.

We want to point out that this is a work in progress. It is important to note that some segments of the producer community are further along in this process than others. Some have been working on this issue for quite some time, undertaking research, seeking counsel of outside experts and revising their guidelines as new information becomes available. Some segments of the producer community have begun their efforts more recently. This work is motivated by the strong desire of retailers and restaurants to enhance animal welfare.

FMI-000016

D-0674-0002 of 0008

THE GUIDELINES

Transportation and Slaughter Practices

Animals should be transported to processing facilities and unloaded in a manner that keeps them free from injury and distress. Animals that are not capable of entering a transportation vehicle should not be loaded onto the vehicle, and animals that cannot leave a vehicle on their own should be handled appropriately. They must be processed humanely and in accordance with applicable Federal, state and local laws. Animals must be completely insensible prior to any slaughter procedures (with the exception of religious slaughter which will be handled separately).

NCCR and FMI support and recommend to their members for use with their suppliers:

- The slaughter guidelines, training materials and audit documents of the American Meat Institute for cattle, swine, sheep and goats. These guidelines are generally appropriate for the slaughter of other mammals although minor adjustments for specific species may be necessary.
- The slaughter guidelines of the National Chicken Council for broiler chickens.
- The euthanasia guidelines of the United Egg Producers for laying hens.

We are working on the development of measurable audit processes to assure that our suppliers follow the guidelines made available to them.

Breeding and Rearing

Animal agriculture is changing significantly as it strives to satisfy the needs of the expanding US population. There has been a shift over time toward vertical integration and intensive commercial production. These changes have improved our ability to provide abundant, safe and nutritionally superior food at the lowest cost to consumers of any nation in the world.

The shift toward intensive commercial production has changed the environment in which animals are bred and raised. It also has led to a new focus on the impact of modern food animal production on the well-being of animals and on how their environment can be modified to support animal well-being.

The most challenging area for guideline development is the breeding and rearing of animals for food. In some cases, for example, a focus on animal welfare suggests that structural changes in physical facilities that include increases in space allocation may be needed. As we address these issues in the guidelines, we identify the areas where we know research is underway and where phase-in periods may be necessary.

Laying Hens

FMI and NCCR recommend to their members the 2002 guidelines of the United Egg Producers (UEP) for use with their suppliers of eggs and egg products.

UEP developed a process specifically to address animal welfare concerns in 1999 and formulated their guidelines with the input of a Scientific Advisory Committee. During the past twelve months, UEP has made significant progress on a number of their most challenging issues, including beak trimming, induced molting, space allocation, handling, transportation, handling and processing of spent hens, and euthanasia.

FMI-000017

D-0674-0003 of 0008

- UEP recommends *beak trimming* only when necessary to prevent feather pecking and cannibalism and only when carried out by properly trained personnel monitored regularly for quality control. UEP recommends using genetic stocks that require little or no beak trimming as the most desirable approach.
- UEP has undertaken three research projects looking at the *molting of laying hens* without withdrawing feed. The research is underway at the University of Illinois, the University of Nebraska and North Carolina State University. Results are expected to be available by the end of 2002. NCCR and FMI commend UEP for this action and we are asking the industry to develop a specific phase-out program for feed-withdrawal molting.
- The UEP phase-in timetable for increasing the *space allocation per bird* (67 inches for White Leghorn hens; 76 inches for Brown Egg Layers) has been significantly shortened and a minimum standard has been added for all new and remodeled laying houses.
- UEP has developed *training materials* to assist producers in meeting the guidelines and to prepare them for independent audit and certification programs.

For air quality in layer houses, FMI and NCCR recommend that UEP develop a guideline specifying 25 ppm as a maximum and 10 ppm as an ideal level for *ammonia*. For lighting levels in laying houses, FMI and NCCR recommend that UEP develop a guideline specifying that *light intensity* should be 0.5 to 1-foot candle for all birds at feeding levels during production.

Dairy Cattle

NCCR and FMI recommend to their members for use with their suppliers of milk and dairy beef the animal care guidelines of the Milk and Dairy Beef Quality Assurance Center.

The Milk and Dairy Beef Quality Assurance (DQA) Program was developed in 1990, featuring internal audits and third party certification by DQA auditors. Their certification, registration and recognition process was expanded to animal care in 1995. Their program has been developed with the input and guidance of their Animal Well-Being Standards Committee made up of animal scientists, veterinarians and producers. In 2002, DQA agreed to revise its *Caring for Dairy Animals – Reference Guide* to incorporate the recommendations of the FMI-NCCR advisors.

DQA revised their guidelines on several issues based on FMI and NCCR feedback, including but not limited to:

- Adding a *space* allocation guideline for a “cow to free stall” ratio of 1.2.
- Recommending that switch trimming be used rather than *tail docking*.
- Specific guidelines for *procedures that should be performed by a veterinarian and with the use of anesthesia and analgesia*, including approved methods and recommended ages for castration and dehorning.

The DQA Center has developed a comprehensive training program and audit system.

FMI-000018

D-0674-0004 of 0008

Swine

Working with an animal welfare committee that includes animal scientists, veterinarians and producers, The National Pork Board (NPB) is in the final stages of developing a comprehensive set of animal welfare guidelines and a "swine welfare indexing system." The index will be a tool to assess the welfare of the animal and will be applicable to all types of operations including all indoor and outdoor facilities using stalls, pens, pastures and other forms of housing. The NPB is funding several animal welfare research projects, including five on gestation sow housing.

Our independent, expert advisors have identified a number of issues they believe are important to address and The National Pork Board is in the process of addressing these issues and work continues on the development of training materials and an audit process.

One of the most challenging issues the pork industry faces is confinement of gestating sows. Current pork industry guidelines include several enhancements regarding sow stalls, but our experts have challenged the industry to go further.

As a short-term measure, the FMI and NCCR support enhanced pork industry guidelines regarding individual housing systems, including:

1. The pregnant sow should be able to lie down on her side without her teats extending into the adjacent stall.
2. Her head should not have to rest on a raised feeder.
3. Her rear quarters should not be in contact with the back of the stall.
4. The pregnant sow should be able to stand up unimpeded.

The FMI and NCCR wish to clarify that point #1 should not be achieved by compressing the udder with a wall, bar or other barrier.

Our advisors have identified problems in both systems (individual and group) most commonly used for housing pregnant sows. Most individual housing systems (stall, tethers) prevent normal movement such as walking and turning. Many group housing systems have the potential to foster aggression and unequal food intake. We challenge the swine industry to develop an action plan for implementing systems that will improve the welfare of pregnant sows.

Broilers and Turkeys

We have been working with the National Chicken Council (NCC) and the National Turkey Federation (NTF).

Earlier in this report we endorsed the slaughter guidelines of NCC.

Our independent, expert advisors have reviewed guidelines developed by both NCC and NTF and have identified several areas where improvements can be made in the interest of animal well-being. Both organizations have made progress during the past year and are in the process of reviewing the recommendations of our experts with their respective organizations' committees. We look forward to reporting on their progress later this year.

FMI-000019

D-0674-0005 of 0008

Cattle – Ranch and Feedlot

The animal welfare committee of the National Cattlemen's Beef Association will review and revise the guidelines developed in 1997. We look forward to working with them during this process.

Next Steps

The FMI-NCCR expert advisors will meet in late summer 2002 to review the progress of those producer organizations that are still working on their guideline revisions. We also will be issuing guidelines for religious processing.

NCCR and FMI are developing an audit system to be used by the industry so retailers will be able to identify suppliers who are implementing animal welfare guideline recommendations.

FMI and NCCR will issue another progress report in October 2002.

FMI and NCCR will begin to review guidelines for veal calves and ducks late in 2002.

FMI-000020

D-0674-0006 of 0008

NOTE: To assist you in obtaining additional information about the various producer organizations and their guidelines the following contact information is provided:

American Meat Institute

1700 North Moore Street, Suite 1600
Arlington, VA 22209
P: 703-841-2400
F: 703-257-0938
www.meatami.com

National Cattlemen's Beef Association

1301 Pennsylvania Avenue, NW, Suite 300
Washington, DC 20004
P: 202-347-0228
F: 202-638-0607
www.beef.org

Milk and Dairy Beef Quality Assurance Center, Inc.

801 Shakespeare, Box 497
Stratford, Iowa 50249
P: 515-838-2793
F: 515-838-2788
www.dqacenter.org

United Egg Producers

1303 Hightower Trail, Suite 200
Atlanta, GA 30350
P: 770-587-5871
F: 770-587-0041
www.unitedegg.org

National Turkey Federation

1225 New York Avenue, NW, Suite 400
Washington, DC 20005
P: 202-898-0100
F: 202-898-0203
www.eatturkey.com

National Pork Board

P.O. Box 9114
Des Moines, Iowa 50306
P: 515-223-2600
F: 515-223-2646
www.porkboard.org

National Chicken Council

1015 15th Street, NW #930
Washington, DC 20005
P: 202-296-2622
F: 202-293-4005
www.eatchicken.com

FMI-000021

D-0674-0007 of 0008

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FMI-000022

D-0674-0008 of 0008